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1 UNITED STATES DISTRICT COURT
2 SOUTHERN DISTRICT OF NEW YORK

3 UNITED STATES OF AMERICA,

4 v.

19 Cr. 233 (LAK) (GWG)

5 MUSTAFA ABDEL-WADOOD,

6 Defendant.

Plea

7 -----x

8 New York, N.Y.

9 June 28, 2019

11:00 a.m.

10 Before:

11 HON. GABRIEL W. GORENSTEIN,

12 U.S. Magistrate Judge

13 APPEARANCES

14 GEOFFREY S. BERMAN

15 United States Attorney for the
Southern District of New York

16 BY: BRENDAN F. QUIGLEY

ANDREW M. THOMAS

17 Assistant United States Attorneys

18 BRACEWELL LLP

Attorneys for Defendant

19 BY: PAUL L. SHECHTMAN

MARGARET E. LYNAUGH

20
21 Also Present: Special Agent Nick Kroll, FBI

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(Case called)

MR. QUIGLEY: Good morning, your Honor. Brendan Quigley and Andrew Thomas, for the United States. We're joined by Special Agent Nick Kroll of the FBI.

MR. SHECHTMAN: Your Honor, Paul Shechtman and Maggie Lynaugh from the Bracewell firm, and the defendant is present.

THE COURT: OK. I have before me, sir, a form. What this says is that you understand you have the right to have this plea taken by a United States district judge, and you're agreeing to have it taken by a United States magistrate judge. Is that correct?

THE DEFENDANT: Yes, your Honor.

THE COURT: All right. I'm going to ask the clerk to swear you in.

THE DEPUTY CLERK: Would you stand and raise your right hand. You are Abdel Wadood?

THE DEFENDANT: Yes, I am.

(Defendant sworn)

THE COURT: Thank you.

All right. Sir, do you understand that now that you're under oath, any statements you make here could be used against you in a prosecution for perjury or for making false statements?

MR. SHECHTMAN: Judge, do you want Mr. Abdel-Wadood to stand or sit during the allocution?

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1 THE COURT: He can sit. That's fine.

2 Sir, did you hear my question?

3 THE DEFENDANT: I do.

4 THE COURT: Tell me your full name.

5 THE DEFENDANT: Mustafa Abdel-Wadood.

6 THE COURT: What is your age?

7 THE DEFENDANT: 49.

8 THE COURT: Are you a citizen of the United States?

9 THE DEFENDANT: I am not.

10 THE COURT: What country are you a citizen of?

11 THE DEFENDANT: I'm a citizen of Egypt and a citizen
12 of Malta.

13 THE COURT: Are you able to read and write in English?

14 THE DEFENDANT: I am, sir.

15 THE COURT: What is the extent of your formal
16 education?

17 THE DEFENDANT: I have a graduate degree and an MBA.

18 THE COURT: Are you now or have you recently been
19 under the continuing care of a psychiatrist or doctor for any
20 reason?

21 THE DEFENDANT: I have had a therapist for a couple of
22 years, sir.

23 THE COURT: All right. An psychological therapist?

24 THE DEFENDANT: Yes, your Honor.

25 THE COURT: Does the condition for which you're being

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1 treated have any impact on your ability to see, hear, think or
2 reason, understand or make decisions or judgments?

3 THE DEFENDANT: No, your Honor.

4 THE COURT: Have you ever been hospitalized in the
5 past for mental illness?

6 THE DEFENDANT: No.

7 THE COURT: For alcoholism.

8 THE DEFENDANT: No.

9 THE COURT: For narcotics addiction.

10 THE DEFENDANT: No.

11 THE COURT: As you sit here today, are you under the
12 influence of any drug or alcoholic drink?

13 THE DEFENDANT: No.

14 THE COURT: Have you been able to understand
15 everything that has been said to you?

16 THE DEFENDANT: Yes, sir.

17 THE COURT: Have you seen a copy of the indictment in
18 this case?

19 THE DEFENDANT: Yes, sir.

20 THE COURT: Have you read it?

21 THE DEFENDANT: Yes, sir.

22 THE COURT: Do you understand what it says you did?

23 THE DEFENDANT: Yes, sir.

24 THE COURT: Have you had a chance to discuss the
25 charges and how you wish to plead with your attorney?

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1 THE DEFENDANT: Yes, sir.

2 THE COURT: Are you satisfied with your attorney's
3 representation of you?

4 THE DEFENDANT: Yes, sir.

5 THE COURT: Have you had a full opportunity to discuss
6 this case with him?

7 THE DEFENDANT: Yes, sir.

8 THE COURT: Are you ready to enter a plea?

9 THE DEFENDANT: Yes, sir.

10 THE COURT: All right. Count One charges that from
11 2014 to 2018, you conspired with others to violate the
12 racketeering laws of the United States through the conduct of
13 the affairs of something called Abraaj enterprise.

14 Do you understand this charge, sir?

15 THE DEFENDANT: Yes, sir.

16 THE COURT: How do you wish to plead; guilty or not
17 guilty?

18 THE DEFENDANT: Guilty.

19 THE COURT: All right. Sir, Count Two charges you
20 with conspiracy to commit securities fraud. It's alleged this
21 occurred between 2014 and April 2018.

22 Do you understand this charge, sir?

23 THE DEFENDANT: Yes, sir.

24 THE COURT: How do you wish to plead; guilty or not
25 guilty?

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1 THE DEFENDANT: Guilty.

2 THE COURT: All right. Counts Three, Four and Five
3 each charge you with counts of securities fraud.

4 MR. QUIGLEY: Your Honor, the defendant's not charged
5 in Count Four.

6 THE COURT: I'm sorry.

7 MR. QUIGLEY: If it's easier, I can hand up the
8 cooperation agreement, which summarizes --

9 THE COURT: I apologize.

10 Counts Three and Five charge you with securities
11 fraud. Count Three involves an investment called APEF IV;
12 Count Five is called APEF VI. Count Four involves, again, the
13 time period 2014 to May 2018, same time period for Count Five.

14 Do you understand these charges, sir?

15 THE DEFENDANT: I do, sir. Yes.

16 THE COURT: And how do you wish to plead --

17 THE DEFENDANT: Guilty.

18 THE COURT: -- guilty or not guilty?

19 I couldn't hear you, sir.

20 THE DEFENDANT: Guilty, sir.

21 MR. SHECHTMAN: Judge, just for clarity, that is just
22 to Three and Five, not Four.

23 THE COURT: Three and Five, that's correct. I'm going
24 to go over these again.

25 MR. SHECHTMAN: That's all right.

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1 THE COURT: Sir, Count Six charges you with conspiracy
2 to commit wire fraud. It's, again, alleged this occurred
3 between 2014 and May of 2018.

4 Do you understand this charge, sir?

5 THE DEFENDANT: Yes, sir.

6 THE COURT: How do you wish to plead; guilty or not
7 guilty?

8 THE DEFENDANT: Guilty.

9 THE COURT: All right. Count Seven charges you with a
10 count of wire fraud, this time in the time period April 2014 to
11 May 2018, involving something called APEF IV.

12 Do you understand this charge, sir?

13 THE DEFENDANT: Yes, sir.

14 THE COURT: How do you wish to plead; guilty or not
15 guilty?

16 THE DEFENDANT: Guilty.

17 THE COURT: Sir, Count Nine charges you with wire
18 fraud this time in connection with APEF VI in the time period
19 May 2014 to May 2018.

20 Do you understand this charge, sir?

21 THE DEFENDANT: Yes, sir.

22 THE COURT: How do you wish to plead; guilty or not
23 guilty?

24 THE DEFENDANT: Guilty.

25 THE COURT: All right. Let me just go over this, sir.

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1 Is it correct that you wish to plead guilty to Count One, sir?

2 THE DEFENDANT: Yes, sir.

3 THE COURT: All right. I want you to understand this
4 carries a maximum sentence of 20 years in prison; a maximum
5 term of supervised release of three years; a maximum fine of
6 \$250,000, or twice what was gained because of the offense or
7 twice what was lost to someone other than you because of the
8 offense; also, a \$100 special assessment.

9 Do you understand these penalties, sir?

10 THE DEFENDANT: Yes, sir.

11 THE COURT: Is it correct that you wish to plead
12 guilty to Count Two?

13 THE DEFENDANT: Yes, your Honor.

14 THE COURT: Sir, this has a maximum sentence of five
15 years' imprisonment and the same terms of supervised release,
16 fine and special assessment as Count One.

17 Do you understand this?

18 THE DEFENDANT: Yes, sir.

19 THE COURT: Is it correct you wish to plead guilty to
20 Counts Three and Five?

21 THE DEFENDANT: Yes, sir.

22 THE COURT: All right. Sir, this has the maximum
23 sentence of imprisonment of 20 years and the same terms of
24 supervised release as the other counts, which is three years;
25 also, a maximum fine of \$5 million, or twice what was gained

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1 because of the offense or twice what was lost to someone other
2 than you because of the offense; and a \$100 special assessment.

3 Do you understand this?

4 THE DEFENDANT: Yes, sir.

5 THE COURT: All right. Sir, Count Six, is it correct
6 that you wish to plead guilty to that count?

7 THE DEFENDANT: Yes, your Honor.

8 THE COURT: Sir, that has a maximum sentence of 20
9 years' imprisonment.

10 Do you understand this?

11 THE DEFENDANT: Yes, sir.

12 THE COURT: Also, the same supervised release term,
13 maximum fine and special assessment as the charge in Count One.

14 Do you understand this, sir?

15 THE DEFENDANT: Yes, sir.

16 THE COURT: The charge in Count Seven, is it correct
17 you wish to plead guilty to that, sir?

18 THE DEFENDANT: Yes.

19 THE COURT: And the same for Count Nine, you wish to
20 plead guilty?

21 THE DEFENDANT: Yes, sir.

22 THE COURT: Those two counts, once again, have a
23 maximum term of imprisonment of 20 years and the same
24 supervised release term, maximum fine and special assessment as
25 Count One.

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1 Do you understand those penalties, sir?

2 THE DEFENDANT: Yes, sir.

3 THE COURT: All right. Sir, if you were to add all
4 the maximum sentences of incarceration if the counts ran
5 consecutively, that's 125 years in prison.

6 Do you understand that?

7 THE DEFENDANT: I do, sir. Yes, sir.

8 THE COURT: Do you understand that restitution can be
9 ordered for any of these offenses?

10 Do you understand that?

11 THE DEFENDANT: Yes, sir.

12 THE COURT: Do you understand that if you plead guilty
13 you may be required to give up, or forfeit, to the government
14 any money or property you received from the offenses or that
15 was used to commit the offenses?

16 THE DEFENDANT: Yes, sir.

17 THE COURT: Do you understand that if, as part of your
18 sentence, you were placed on a term of supervised release and
19 you were to then violate any of the conditions of that release,
20 you would face an additional term of imprisonment?

21 THE DEFENDANT: Yes, sir.

22 THE COURT: All right. Sir, do you understand because
23 you're not a citizen of the United States, a guilty plea means
24 you may be removed from the United States and denied admission
25 or citizenship in the future?

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1 THE DEFENDANT: Yes, sir.

2 THE COURT: Do you understand you have the right to
3 plead not guilty to these charges and the right to a jury
4 trial, if you wish?

5 THE DEFENDANT: Yes, sir.

6 THE COURT: Do you understand if you pled not guilty
7 and went trial, you would be presumed innocent and the burden
8 would be on the government to prove your guilt beyond a
9 reasonable doubt?

10 THE DEFENDANT: Yes, sir.

11 THE COURT: Sir, I want you to understand there are a
12 number of other rights that you would have if you pled not
13 guilty and went to trial.

14 If you went to trial, you would be entitled to be
15 represented by an attorney at all stages of the case, and if
16 you could not afford to hire an attorney, the Court would
17 provide one to you for free.

18 At a trial, you would be entitled to confront and
19 cross-examine any witnesses called by the government to testify
20 against you. You would be entitled to testify on your own
21 behalf. You could call witnesses and present evidence, and the
22 Court would compel the attendance of witnesses you wished to
23 call at trial.

24 Also, at a trial, you would not you be required to
25 testify against yourself.

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1 Sir, do you understand the rights I've just mentioned?

2 THE DEFENDANT: Yes, sir, I do.

3 THE COURT: Do you understand you give them all up if
4 you plead guilty?

5 THE DEFENDANT: Yes, sir.

6 THE COURT: Do you understand if you enter a guilty
7 plea, you are not going to be able to withdraw this plea; there
8 will be no trial and the only remaining step in this will be
9 sentencing?

10 THE DEFENDANT: Yes, sir.

11 THE COURT: Do you understand that even if you are
12 surprised or disappointed by your sentence, you will still be
13 bound by your guilty plea?

14 THE DEFENDANT: Yes, sir.

15 THE COURT: Sir, I have before me a letter, dated June
16 25, from the government to your attorney that contains a plea
17 agreement. Have you seen this letter?

18 THE DEFENDANT: Yes, sir.

19 THE COURT: Have you read it?

20 THE DEFENDANT: Yes, sir.

21 THE COURT: Did you sign it today?

22 THE DEFENDANT: Yes, sir.

23 THE COURT: Before you signed it, did you discuss it
24 with your attorney?

25 THE DEFENDANT: Yes, sir.

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1 THE COURT: Did he explain to you all of its terms and
2 conditions?

3 THE DEFENDANT: Yes, your Honor.

4 THE COURT: Sir, apart from what's contained in this
5 letter, have any promises been made to you in order to get you
6 to plead guilty?

7 THE DEFENDANT: No.

8 THE COURT: Sir, do you understand that, in sentencing
9 you, the sentencing judge will consider as part of the sentence
10 the prison range called for by the part of our law known as the
11 sentencing guidelines? Has your attorney explained to you the
12 sentencing guidelines?

13 THE DEFENDANT: Yes, sir.

14 THE COURT: Do you understand that no matter what the
15 judge believes is called for by the guidelines in terms of the
16 sentencing range, that range is just one of many factors that
17 he will consider in determining your sentence and that he has
18 the discretion to give you a sentence below or above the range,
19 anywhere up to the maximum sentences that I told you about
20 earlier, totaling 125 years?

21 Do you understand that?

22 THE DEFENDANT: Yes, sir.

23 THE COURT: I note that the agreement refers to the
24 possibility that the government may advise the sentencing judge
25 by letter that you have given the government substantial

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1 cooperation, which could lead to a reduction in your potential
2 prison sentence.

3 Do you understand that the plea agreement does not
4 absolutely require the government to do this and that it may
5 freely choose not to provide such a letter based on its
6 assessment of your compliance with the plea agreement and the
7 extent of your cooperation?

8 THE DEFENDANT: Yes, sir.

9 THE COURT: Sir, knowing all this, do you still wish
10 to plead guilty to Counts One, Two, Three, Five, Six, Seven and
11 Nine of the superseding indictment, No. 6?

12 THE DEFENDANT: Yes, sir.

13 THE COURT: Have any force or threats been used,
14 either direct or indirect, to influence how you plead today?

15 THE DEFENDANT: No.

16 THE COURT: Is your plea voluntary; that is, made of
17 your own free will?

18 THE DEFENDANT: Yes, sir.

19 THE COURT: Did you, in fact, commit the offenses that
20 are charged in Counts One, Two, Three, Five, Six, Seven and
21 Nine of the indictment?

22 THE DEFENDANT: Yes, sir.

23 THE COURT: All right. Before I ask you to tell me
24 what you did, I'm going to ask the government to summarize the
25 elements of the offense and, if they wish, to tell me any

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1 evidence they would have offered at trial.

2 MR. QUIGLEY: Yes, your Honor.

3 With respect to Count One, the racketeering
4 conspiracy, the government would need to prove the following
5 three elements:

6 First, that there was an agreement among two or more
7 persons to participate in an enterprise that would affect
8 interstate commerce through a pattern of racketeering activity;

9 Second, that the defendant knowingly and willfully
10 became a member of that agreement; and

11 Third, that the defendant or another member of the
12 conspiracy agreed to commit two racketeering acts.

13 With respect to Count Two, conspiracy to commit
14 securities fraud, under Title 18, U.S. Code, Section 371, the
15 government would need to prove three elements:

16 First, that there was an agreement among two or more
17 persons to commit fraud in connection with the purchase or sale
18 of securities;

19 Second, that the defendant knowingly and willfully
20 became a member of that agreement; and

21 Third, that at least one coconspirator committed at
22 least one overt act in furtherance of the conspiracy.

23 With respect to Counts Three and Five, the substantive
24 securities fraud counts, the government would, again, need to
25 prove three elements:

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1 First, that in connection with the purchase or sale of
2 a security, the defendant did any one or more of the following:
3 (1) employed an device, scheme or artifice to defraud; (2) made
4 an untrue statement of material fact, omitted to state a
5 material fact which made what was said under the circumstances
6 misleading; (3) engaged in an act, practice or course of
7 business that operated, or would operate, as a fraud or deceit
8 upon a purchaser or seller.

9 The second element is that the defendant acted
10 willfully, knowingly and with the intent to defraud; and

11 Third, that the defendant or anyone he aided and
12 abetted knowingly used, or caused to be used, any means or
13 instruments of transportation or communications in interstate
14 commerce or used the mails in furtherance of the fraudulent
15 conduct.

16 With respect to Count Six, the wire fraud conspiracy,
17 the government would need to prove two elements:

18 First, that two or more persons entered into an
19 agreement to commit the substantive crime of wire fraud;

20 Second, that the defendant knew the illegal purpose of
21 the agreement and willfully became a member of the conspiracy.

22 And then finally, with respect to Counts Seven and
23 Nine, the substantive wire fraud counts, there are three
24 elements:

25 First, that there was a scheme or artifice to defraud

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1 or to obtain money or property by materially false and
2 fraudulent pretenses, representations or promises;

3 Second, that the defendant knowingly and willfully
4 participated in the scheme with knowledge of its fraudulent
5 nature and with the specific intent to defraud; and

6 Finally, that in the execution of the scheme the
7 defendant used or caused the use of interstate or foreign
8 wires, such as telephone calls, emails or monetary wire
9 transfers.

10 With respect to the government's proof at trial, the
11 government's proof would include, among other things, emails
12 and other electronic messages showing that the defendant was
13 aware of and participated in misappropriation of investor funds
14 in APEF IV and other Abraaj funds and used those funds to repay
15 investors to meet regulatory requirements and for other
16 inappropriate purposes.

17 In addition, there would be emails and electronic
18 messages showing that the defendant was aware of and approved
19 false valuation figures relating to APEF IV and knowing that
20 those figures were going to be used to market the APEF VI fund
21 to investors. There would be witness testimony regarding the
22 defendant's role at Abraaj, particularly in the valuation
23 process.

24 The government would also establish venue and
25 jurisdiction by showing that Abraaj has an office in Manhattan;

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1 the defendant and his coconspirators sent email messages to and
2 from the district; and there were wire transfers of funds to
3 and from the district over the course of the conspiracy.

4 THE COURT: All right.

5 Sir, can you tell me what it is you did that makes you
6 guilty of these charges.

7 MR. SHECHTMAN: Judge, can I say one thing at the
8 outset?

9 THE COURT: Sure.

10 MR. SHECHTMAN: I've shared the allocution which
11 you're about to hear with the government. It is much easier to
12 allocute sort of overall than it is count by count, so you will
13 hear an allocution that is sort of an overarching allocution.
14 It's my view -- I think the government shares the view -- that
15 it meets all the elements of all the different counts, but
16 obviously the Court will determine that.

17 THE COURT: All right, sir.

18 THE DEFENDANT: Yes, your Honor.

19 From 2006 to 2018, I worked at Abraaj Capital Ltd., a
20 private equity firm headquartered in Dubai.

21 THE COURT: Can you just speak really slowly, sir,
22 please.

23 THE DEFENDANT: I apologize. I'm sorry.

24 A private --

25 Let me start over, sir.

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1 THE COURT: Really slowly.

2 THE DEFENDANT: From 2006 to 2018, I worked at Abraaj
3 Capital Ltd., a private equity firm headquartered in Dubai that
4 invested in companies in emerging markets. I was a managing
5 partner and had principal responsibility for overseeing
6 Abraaj's investments. By 2014, Abraaj was experiencing serious
7 liquidity issues. Our operating costs significantly exceeded
8 our revenues from management fees and other sources. Cash
9 shortfalls were a monthly reality.

10 At the direction of Arif Naqvi --

11 THE COURT: At the direction of?

12 THE DEFENDANT: Arif Naqvi, A-R-I-F, last name
13 N-A-Q-V-I.

14 -- Abraaj's founder and CEO, numerous steps were taken
15 to close the gap, steps that disadvantaged our investors. To
16 name only two, we held back on distributing money to which
17 investors were entitled and used those funds to keep Abraaj
18 afloat. And we drew down funds from investors and used those
19 funds for working capital, telling investors that funds were
20 being used for their benefit. Put simply, money was commingled
21 that should have been segregated, and investors were not told
22 the truth.

23 This was especially so with respect to Abraaj Private
24 Equity Fund IV, APEF IV, which was launched in 2008 and
25 included U.S.-based investors.

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1 In 2016, Abraaj began raising money for a new fund.
2 Abraaj Private Equity Fund VI, APEF VI. We raised
3 approximately \$3 billion from entities and individuals,
4 including several U.S.-based investors. We met with potential
5 investors in Manhattan and sent emails into the United States.
6 In raising those funds, potential investors were lied to about
7 Abraaj's financial health. We painted a rosy picture of a
8 prosperous firm, when, in fact, the firm was experiencing the
9 severe liquidity issues I have described. We also materially
10 overstated Abraaj's track record. We led potential investors
11 to believe that SEVERAL of our prior investments were more
12 successful than they really were. To that end, I approved
13 valuations that I knew were inflated, and at Arif Naqvi's
14 urging, I resisted attempts by others in the firm to mark down
15 these valuations.

16 At meetings with potential investors, I stood by
17 silently while Abraaj's track record was overstated and its
18 financial health falsely portrayed. I was respected by
19 investors and potential investors, and by my presence, I lent
20 my credibility to statements that I knew were not true.

21 Judge, the indictment charges a criminal enterprise
22 and conspiracy counts. There was no formal agreement among
23 Abraaj's leaders to commit illegal acts. Some of us pushed
24 back at Arif Naqvi's misconduct.

25 THE COURT: Some of us pushed back? I'm sorry.

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1 THE DEFENDANT: At Arif Naqvi's misconduct.

2 Too often, however, we capitulated. We knew that,
3 acting together, we were giving investors and potential
4 investors, people to whom we owed a duty of candor, a less than
5 candid account of the firm.

6 Judge, I knew at the time that I was participating in
7 conduct that was wrong. When things turned bad in 2014, I
8 should have walked away. I considered it but didn't. My
9 commitment to Abraaj compromised the integrity of my judgment,
10 and I ended up drifting from who I really am. For that, I am
11 ashamed. I hoped that if I stayed I could help give investors
12 what they were promised and entitled to. The hope was never
13 realized. I share responsibility for what happened. I regret
14 my involvement more deeply than anyone can imagine.

15 THE COURT: OK. Sir, just to clarify, you were
16 reading from a statement just now. Is that correct?

17 THE DEFENDANT: That's correct, sir.

18 THE COURT: Is everything in that statement true?

19 THE DEFENDANT: Yes, sir.

20 THE COURT: Did it happen just the way you described
21 it?

22 THE DEFENDANT: It did, sir.

23 THE COURT: For the racketeering conspiracy, the acts
24 are the securities fraud counts.

25 MR. QUIGLEY: Yes, your Honor. The securities fraud

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1 and the wire fraud counts are both predicate acts. Both
2 securities fraud counts and both wire fraud counts, that's four
3 predicate acts.

4 THE COURT: I just want to make sure we got enough
5 detail on those.

6 The government, I gather, is satisfied with the
7 allocution.

8 MR. QUIGLEY: Yes, your Honor. And we would proffer
9 that the shares of the private equity fund, the partnership
10 interests that were marketed to investors, are securities under
11 the securities laws.

12 THE COURT: And this is the shares in APEF IV and APEF
13 VI?

14 MR. QUIGLEY: APEF IV and APEF VI, yes, your Honor.

15 THE COURT: There are just two areas I want to
16 clarify. One is materiality of whatever the false statements
17 were, and the other is with conspiracy, since I'm told there
18 was no formal agreement, which is understandable.

19 Sir, you mentioned a number of times false statements
20 that were made to investors. Do you know what I'm referring
21 to? You talked about the liquidity, how much operating capital
22 you had, expenses and so forth.

23 THE DEFENDANT: Yes, sir.

24 THE COURT: OK. I just want to clarify whether the
25 misstatements would have been important to the people who were

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1 deciding whether to buy shares. Were they important?

2 THE DEFENDANT: The valuations were important, sir,
3 and the financial health of the company is also important, and
4 that would --

5 THE COURT: Is also?

6 THE DEFENDANT: Is also important.

7 THE COURT: And you were an employee of this
8 organization, is that correct?

9 THE DEFENDANT: Yes, sir. I -- I resigned in December
10 '17 and left in March of '18.

11 THE COURT: OK. But during the time period --

12 THE DEFENDANT: Yes.

13 THE COURT: -- you were an employee of the Abraaj
14 group?

15 THE DEFENDANT: Yes, sir.

16 THE COURT: Were you working together with the people
17 who were making the false statements to the investors?

18 THE DEFENDANT: Yes, sir.

19 THE COURT: All right.

20 Anything else the government wants me to ask?

21 MR. QUIGLEY: No, your Honor. We think the allocution
22 is sufficient.

23 THE COURT: Mr. Shechtman, anything?

24 MR. SHECHTMAN: No. Same, your Honor. I think the
25 allocution is sufficient.

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1 THE COURT: All right. On the basis of the
2 defendant's responses to my questions and my observation of his
3 demeanor, I find he is fully competent to enter an informed
4 plea at this time. I also conclude that he understands the
5 nature of the charges and the consequences of the plea.
6 Finally, I'm satisfied the plea is voluntary and that there's a
7 factual basis for it. Accordingly, I recommend that the
8 proffered pleas to Counts One, Two, Three, Five, Six, Seven and
9 Nine of superseding indictment No. 6 be accepted.

10 I'll put a control date down.

11 MR. SHECHTMAN: I think that makes good sense, Judge.

12 MR. QUIGLEY: Yes, your Honor. I think Judge Kaplan's
13 practice is six months, so we would ask for a date in about six
14 months.

15 THE COURT: OK. How about December 27?

16 MR. QUIGLEY: Fine with the government, your Honor.

17 MR. SHECHTMAN: Fine, your Honor.

18 THE COURT: OK. Anything else from the government?

19 MR. QUIGLEY: No, your Honor. Thank you.

20 THE COURT: Defense counsel.

21 MR. SHECHTMAN: Nothing else, your Honor.

22 THE COURT: Thank you.

23 MR. SHECHTMAN: We thank you.

24 (Adjourned)
25